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Joint Inspection Unit

Report of the Joint Inspection Unit on managing information in the United Nations system organizations: management information systems

Note by the Secretary-General

Addendum

The Secretary-General has the honour to transmit for the consideration of the General Assembly his comments, and those of the United Nations System Chief Executives Board for Coordination (CEB), on the report of the Joint Inspection Unit entitled "Managing Information in the United Nations system organizations: management information systems" (JIU/REP/2002/9) (A/58/82).

* A/58/50/Rev.1 and Corr.1.

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Summary

The report of the Joint Inspection Unit (JIU) entitled "Managing information in the United Nations system organizations: management information systems" (JIU/REP/2002/9) (A/58/82) reviews key managerial and operational issues relating to the management of information in the United Nations system including strategy, leadership, governance, functionality, outsourcing and costs, as well as inter-agency cooperation and coordination. In this context, the report stresses the importance of making best use of available information for effective resource management and decision-making with the support of management information (MI) systems and the utilization of modern information and communication technologies (ICT).

As indicated in the present note members of the United Nations System Chief Executives Board for Coordination (CEB) appreciate the wide-ranging information contained in the report, and note that it touches on a number of important and critical issues, which are challenging not only within the environment of the United Nations system, but also to public and private sector organizations around the world. They generally concur with most of the findings and conclusions of the report, and agree with the actions recommended by JIU to foster greater cost-effectiveness and promote more sharing and learning among the organizations of the system in the exploitation of modern ICT to improve management. They also note that these actions are consistent with the Secretary-General's reform initiatives as contained in his report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1).

I. Introduction

1. The report of the Joint Inspection Unit (JIU) entitled "Managing information in the United Nations system organizations: management information systems" (JIU/REP/2002/9) (A/58/82) reviews the progress achieved in the organizations of the United Nations system in the implementation of various information technology (IT) services and management information (MI) systems aimed at improving management in human resources, finance and administrative areas, particularly those that have system-wide impact. It reviews key managerial and operational issues relating to these IT systems, including strategy, leadership, governance, functionality, outsourcing, costs and inter-agency cooperation and coordination. The report draws lessons from the experience of United Nations system organizations in the development of MI systems, and offers insights as well as a set of recommendations for strengthening information management and improving design and implementation of future MI systems.

2. Members of the United Nations System Chief Executives Board for Coordination (CEB) generally concur with the main conclusion of the JIU report, namely, that information is a resource that needs to be managed effectively in the environment of the United Nations system. In that connection, that report provides a good overview and inventory of the experience in management systems in the United Nations system. They also note that although some of this information may already have been overtaken by subsequent developments, it nonetheless provides a good baseline for understanding of the great variety of experiences across the United Nations system reflecting the different requirements of the organizations as well as their different levels of experience and the maturity of their IT systems. CEB members generally concur with the finding that, while there may be room for MI "standards" in terms of policy and procedures in "specific managerial areas" (for example, financial and human resources management, payroll, procurement, travel, and management of conferences, contracts and documents), there are other "substantial areas" in United Nations system organizations that have very specific mandates and for which little will be gained by standardization across the system.

3. CEB members also point out that, in addition to the JIU recommendations calling for additional processes and actions by legislative organs, proper planning and management of information resources require effective training, especially of programme managers, and an organization-wide awareness.

4. As regards the various recommendations of JIU addressed to legislative organs concerning specific attention to MI system planning (recommendations 1, 2, 3 and 5), CEB members observe that existing results-based programming and budgeting processes offer, in most instances, reliable and effective means of addressing these issues without adding another process specific to information management.

5. Concerning the involvement of CEB and its High-level Committee on Management (HLCM) in the process of planning MI strategies and projects as suggested in the report (sect. E, paras. 46-48 thereof), CEB members are of the view that this involvement should be oriented towards providing advice and service rather than review and control. While they agree that cooperation and coordination in respect of designing and implementing MI systems in the United Nations system organizations are useful, they note that the steps recommended are valid only in instances where organizations are planning to embark upon new MI systems. Even

then, however, the goal of cooperation cannot override an organization's own due diligence and programme priorities. CEB members also point out that there are instances where similar systems are already implemented or are in the process of implementation and enhanced cooperation and coordination are already taking place under the CEB/HLCM umbrella in the form of the special interest and user groups for Systems, Applications and Products in Data Processing (SAP), Enterprise Resource Planning (ERP) and Oracle and the Inter-Agency Telecommunications Advisory Group. The latter are special forums designed for sharing experiences and best practices.

6. From a system-wide perspective, CEB members express their concern about the lack of attention given to designing an overall strategy for building up and retaining the specialized skills and knowledge (such as information and communication technology (ICT) project management, ERP requirement analysis and implementation, online procurement etc.) among United Nations system organizations. They note that this situation is exacerbated by the fact that the rules and regulations on the loan and secondment of staff across organizations of the system do not encourage the movement of available expertise within the system that could facilitate knowledge-sharing or minimize the need to hire outside consultants. Nor has there been sufficient opportunity to pursue effective mechanisms for promoting cooperation that would also augment sharing of knowledge and experience. Under these conditions, it is understandable that organizations look outside the United Nations system for best practices and service-sharing opportunities. CEB members believe that more proactive involvement of the organizations of the system is required for finding mutually agreeable modalities for retaining as well as sharing, within the system, the specialized skills, knowledge and experience on the development, operation and upgrading of MI systems. As a result, HLCM and its networks (particularly the ICT Network in respect of the focus of this report) are now initiating such knowledge-sharing activities and promoting the exchange of best practices.

II. Comments on recommendations

***Recommendation 1*: *Legislative organs* should request the Executive Heads of the United Nations system organizations that have not yet done so to prepare and submit, for review and appropriate action, a comprehensive strategy for information management/MI systems (including indication of required resources for development and implementation), with due regard to a full introduction of a results-based management approach (paras. 12, 14, 15, 17, 23, 24, 27, 28, 30 and 31):**

7. CEB members note that a number of organizations of the system have already implemented this recommendation with regard to MI systems, in some cases linked to the introduction of results-based management approaches. A number of organizations have also developed and established comprehensive ICT strategies which include support and development of MI systems. In the United Nations, for example, an information and communication technology strategy has been presented to the General Assembly in document A/57/620. This approach is in line with the Secretary General's reform initiatives as contained in his report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1). It addresses information management aspects from within three areas of

delivery, namely: (a) the sharing and dissemination of the Organization's institutional knowledge capital; (b) administrative and management processes (e-management); and (c) the servicing of the United Nations organs and governing bodies.

***Recommendation 2*: *Legislative organs* should request the Executive Heads of the United Nations system organizations that have not yet done so to take the following measures: (paras. 17 and 18):**

(a) Designate/appoint a senior official to serve as Chief Information Officer (CIO). The Chief Information Office would have the functions indicated in subparagraphs (i), (ii), (iii), (iv) and (v) below. Depending upon organization-specific circumstances, however, the CIO functions could be performed by an appropriate unit or, in the case of small organizations that cannot afford a CIO, by a senior official with organization-wide coordinating responsibilities as well as some IT knowledge;

(i) Keep the organization's information management strategy and IT in alignment with its corporate business plan;

(ii) Ensure that information management policies and standards are strictly followed and that the IT infrastructure is well managed;

(iii) Ensure that key decision makers on both substantive and administrative matters have proper and timely information;

(iv) Facilitate developing and maintaining a culture for improving information management in the organization by exploring new technological possibilities as required;

(v) Seek compatibility, to the extent possible, of MI systems-related policies and practices with those of other organizations in the United Nations system, and represent the organization in the inter-agency meetings and consultations (see recommendation 5 (1));

(b) In the context of (a) above, the CIO or the official (including the chief of "an appropriate unit") who has CIO functions should report directly to the Executive Head or, if so warranted in view of the size of an organization, to the Deputy Executive Head in charge of programmes.

8. CEB members note that recommendation 2 above is addressed to the legislative organs. In this regard, they observe that the question of appointment or designation of staff to manage information resources within the organization is the prerogative of the Executive Head. As for the designation of CIOs and their terms of reference, there is no "standard practice" among organizations of the system. CEB members are of the view that, in reality and regardless of whether the terms of reference of the CIO cover the substantive information content or the information system infrastructure or both of these areas, what is important is that the specific roles and responsibilities corresponding to each area remain absolutely clear and operationally well defined at all times. In the case of the United Nations, a board — the ICT Board — has been established as a governance structure that is in line with the organizational complexity of the Secretariat. It acts as a central policy- and standards-setting body, and ensures the necessary level and range of participation in all relevant ICT initiatives and decisions.

9. For these reasons, CEB members take note of the suggestions made by JIU in regard to the terms of reference for CIOs in items (i) to (v) of the recommendation above. They point out that while these may be useful ideas, in the final analysis the decision on the terms of reference of the CIO has to be taken by each organization on the basis of its requirements. In their view, the CIO should be able to interpret the advice that comes from legislative bodies and inter-agency mechanisms, clarify the applicability of policies and standards to the wide range of actual operational requirements, stipulate the criteria for evaluating infrastructure management, and provide other special and competent advice uniquely required by the organization.

***Recommendation 3*: *Legislative organs* should request the Executive Heads:**

(a) To take, insofar as they have not yet done so, the following steps prior to introducing and/or developing a new MI system (paras. 16, 22, 24, 26, 28-31, 34, 37, 40 and 41):

(i) Streamline existing work processes, procedures and practices in such a way as to support results-based management, and identify functional requirements for meeting their mission-critical objectives on the basis of streamlined work processes/procedures/practices, with due consideration of a possible outsourcing of support functions such as payroll, accounting etc. (see recommendation 5 (1) (c));

(ii) Establish a plan for integrating various management systems (like financial and human resources management systems), with a view to introducing/developing an integrated and organization-wide management information system such as ERP;

(iii) Carry out an in-depth review of the functionality that ERP applications can provide, and make a cost-benefit analysis of various options available to each organization (such as developing in-house sharing services with other United Nations entities, and buying a commercial package, including the possibility of changing procedures to adapt to the best industry practices rather than "customizing" commercial products to adapt to the requirements of the organizations), bearing in mind the need, to the extent possible, for inter-agency cooperation and coordination (see recommendation 5).

(b) To report, for review and appropriate action, on the measures taken on the above, and, on a regular basis, on the progress made in MI system project implementation.

10. CEB members note that while items (i) to (iii) above may be well-established business practices, it may not be practical for obvious reasons to make them a "standard" for all organizations across the system.

11. In the light of the above and given the fact that organizations of the system may have distinctive requirements, CEB members doubt the feasibility of implementing item (iii) in particular, which calls for changing or adapting rules, procedures and related processes within the United Nations system environment.

***Recommendation 4*: With a view to enhancing transparency and comparability of financial implications of MI system projects, the United Nations Secretary-General, in his capacity as the Chairman of CEB, should request CEB/HLCM to establish a standardized cost classification, to be used for cost estimates of**

MI system projects implemented by the United Nations system organizations and to report thereon to the competent legislative organs of these organizations through the Executive Heads thereof (paras. 42-44).

12. While recommendation 4 above is acceptable, in principle, CEB members point out that the establishment of standardized cost classifications would need to take into account a whole range of factors, including such questions as the scope of the MI system projects to be included, business processes and methods of analysis, definition of risks, identification of required infrastructure, reporting mechanisms, working environment, financial control requirements etc. Among these numerous factors are various technical and practical issues that, as experience has shown, are not easily agreed upon among the organizations of the system. The complexity of these factors may therefore render this recommendation difficult to implement. CEB members also note that more emphasis needs to be given to the fact that most of the costs associated with the implementation of information systems are related to human resources, rather than hardware and software, and should thus be adequately taken into account.

***Recommendation 5*: In order to enhance cooperation and coordination in respect of designing and implementing MI systems in the United Nations system organizations by avoiding duplicated efforts and investments, the United Nations Secretary-General, in his capacity as the Chairman of CEB, should request CEB/HLCM (paras. 4, 40, 41 and 45-47):**

(a) To intensify consultations on this matter, by taking into account the following options:

(i) Joint designing and/or joint implementation of MI systems among organizations having commonality in the nature of their mandates[1] and/or similar requirements with respect to support functions (for example, payroll processing, accounting, human resources management, general services);

(ii) Sharing services with other organizations in the United Nations system;

(iii) Outsourcing common support functions to other organizations;

(iv) Application hosting for other United Nations system organizations by those that have developed ERP system;

(v) Possible enhanced use of the International Computing Centre (ICC);

(b) To report thereon to the competent legislative organs, for review and appropriate action, through the Executive Heads of the respective organizations.

13. CEB members are of the view that, in the first instance, the proposed steps to encourage coordination and cooperation in developing and implementing MI systems, while generally valid, need to be considered on a case-by-case basis in

[1] Based on the discussion with officials in a number of organizations in the United Nations system it is considered that the United Nations system organizations could broadly be grouped into, for instance: the United Nations itself, the United Nations funds and programmes, and the specialized agencies, which groupings could be further classified into a number of subgroups such as field- or headquarters-oriented, and big or small organizations.

view of the complexity as well as the substantially different requirements of the MI systems of the various organizations of the system. Moreover, it is likely to be applicable only in the case of MI systems being planned for the first time. As noted in paragraph 5 above, where similar systems are in the process of construction or are already in place, enhanced cooperation and coordination are already taking place, inter alia, through the special interest groups for SAP and ERP or the Inter-Agency Telecommunications Advisory Group. With regard to sharing services and outsourcing support functions, CEB members note that a number of arrangements already exist between organizations albeit not on a system-wide basis. They further note that, where economies of scale can be achieved, the enhanced utilization of the services of ICC as a service provider should be encouraged. CEB members point out that these issues are in the agenda of HLCM which is the appropriate inter-agency mechanism for providing a common framework within which these options can be considered.